

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ADJUSTMENT IN RATES)
OF PUBLIC GAS) CASE NO. 9565
COMPANY, INC.)

O R D E R

On October 10, 1986, the Commission issued its Order in this case; that Order directed Public Gas Company, Inc., ("Public") to file a refund plan to return to its customers excess revenues in the amount of \$23,815 over a period of 12 months to be effective with the next billing period. On November 6, 1986, Public filed its refund plan with this Commission.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Public proposed a deviation from the Commission's Order in the length of its refund period. Based on its test year usage of 72,790 Mcf, it proposed to refund the overcollections over a 2-year period with estimated usage of 145,580 Mcf. The proposed refund adjustment for the 2-year period is 16.359 cents per Mcf. Public should comply with the Order in this case which directed it to use a 1-year refund period. A refund factor of 32.7174 cents per Mcf should be used in the purchased gas adjustment and should remain in effect for 12 months or until such time as the full amount plus interest has been returned to Public's customers.

(2) Public proposed to begin its refund on January 15, 1987. The refund should begin on December 1, 1986, to take advantage of the beginning of the winter heating season.

(3) Public should refund the amount reported plus interest at a rate equal to the average of the "3-Month Commercial Paper Rate" less 1/2 of 1 percent to cover the cost of refunding. These monthly rates are reported in the Federal Reserve Bulletin and the Federal Reserve Statistical Release.

IT IS THEREFORE ORDERED that:

(1) Public shall apply a refund factor in the amount of 32.7174 cents per Mcf as a reduction in the approved purchased gas adjustment beginning on December 1, 1986, or as soon as practical thereafter, and it shall remain in effect until the amount refunded will, as nearly as possible, reflect the excess revenues collected plus interest. Interest shall be calculated as specified herein.

(2) Within 30 days of the date of this Order Public shall file with this Commission its revised tariffs setting out the refund factor authorized herein.

(3) Within 30 days from the date the refund is terminated Public shall file with this Commission a summary statement showing a reconciliation of customer billings and the amount refunded.

Done at Frankfort, Kentucky, this 14th day of November, 1986.

PUBLIC SERVICE COMMISSION

Richard D. Howard
Chairman

Ralph J. L.
Vice Chairman

Square J. Williams
Commissioner

ATTEST:

Executive Director